

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 L-03 SS-15 NSC-05 PM-03

SP-02 IO-10 OIC-02 PRS-01 AF-06 ARA-06 EA-06 NEA-10

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R 131320Z JUN 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 0351

INFO AMEMBASSY LONDON

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LONDON FOR DEPUTY ASSISTANT SECRETARY WALDMANN

E. O. 11652: N/A

TAGS: EAIR, XX

SUBJ: CIVAIR: COMMISSION RATE QUESTION

1. SUMMARY: IATA REP SOUGHT FROM US, WITHOUT SUCCESS, STATEMENT OF USG POSITION ON IATA COMPLIANCE PROGRAM PROPOSALS. ECAC IS DISTRESSED NO FORMAL REPLY IS PLANNED TO RECENT VERES MESSAGE RE COMMISSION RATE QUESTION. SEVERAL ECAC STATES ARE PLANNING PLUG DOMESTIC LOOPHOLES IN ORDER ENABLE THEM SET COMMISSION RATES. END SUMMARY.

2. DE BOURSAC, IATA ASSISTANT DIRECTOR GENERAL FOR SPECIAL GOVERNMENTAL AND INDUSTRY AFFAIRS, PHONED FROM GENEVA JUNE 11 RE COMMISSION RATE QUESTION. HE SAID IATA REMAINED FEARFUL COMMISSION RATES WOULD ESCALATE FURTHER IN PROLONGED ABSENCE AGREEMENT AMONG CARRIERS AND SAID PURPOSE OF HIS CALL WAS TO INQUIRE RE USG POSITION ON IATA NINE-POINT COMPLIANCE PROGRAM (PARIS 13671). AFTER CHECKING WITH WALDMANN PRIOR HIS
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DEPARTURE FOR LONDON LATER THAT SAME DAY, RCAA PHONED

DE BOURSAC JUNE 12 AND INFORMED HIM THAT SINCE HAMMARSKJOLD AND SEWALL OF PANAM WERE MEETING FURTHER IN HOPE OF RESOLVING THEIR DIFFICULTIES, WE HAD NO COMMENT TO OFFER ON COMPLIANCE PROGRAM WHICH WOULD PRESUMABLY BE SUBJECT OF FURTHER PANAM-IATA DISCUSSION. IT NOW REMAINED TO BE SEEN HOW THE WHOLE QUESTION WOULD EVOLVE. DE BOURSAC SEEMED NOT AT ALL SURPRISED OR DISSATISFIED WITH ABOVE ANSWER. RE PARA 1(C) STATE 137052, INCIDENTALLY, DE BOURSAC SAID HAMMARSKJOLD-SEWALL MEETING HAD ALREADY TAKEN PLACE PRIOR JUNE 12.

3. WHEN WE CHECKED WITH DOZ OF ECAC SECRETARIAT (PARA 2 STATE 135192) TO VERIFY WHETHER ECAC HAS TEXT OF US/UK JOINT STATEMENT (IT HAS), HE EXPRESSED SURPRISE AT LEARNING THAT NO FORMAL REPLY WOULD BE

MADE TO VERES TELEX TO WALDMANN ON COMMISSION RATE QUESTION. WHILE ADMITTING THAT VERES MESSAGE DID NOT SPECIFICALLY REQUEST REPLY, HE SAID THAT ITS EXPRESSION OF HOPE THAT USG WOULD BE ABLE TAKE APPROPRIATE MEASURES RE COMMISSION RATE QUESTION WAS TO BE INTERPRETED AS IMPLYING ECAC DESIRE ENGAGE IN DIALOGUE WITH USG THIS SUBJECT. ECAC HAD THOUGHT THAT VERES MESSAGE WOULD ELICIT SOME STATEMENT OF USG POSITION, EVEN IF ONLY A STATEMENT THAT USG HAD NO POSITION AND FELT THAT THIS WAS A MATTER THAT CARRIERS SHOULD BE LEFT TO RESOLVE. DOZ ADDED THAT SENTIMENT WITHIN ECAC WAS THAT GOVERNMENTAL INTERVENTION WAS NECESSARY TO RESOLVE COMMISSION RATE QUESTION. HE SAID THAT AT EIGHTH INTERMEDIATE SESSION JUNE 3-5, SEVERAL ECAC DELS HAD INDICATED THEIR GOVTS WERE PREPARING LEGISLATION OR NEW REGULATIONS TO PLUG ANY LOOPHOLES NATIONALLY WITH REGARD THEIR

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ABILITY TO SET COMMISSION RATES. ASKING THAT WE PROTECT HIM AS SOURCE, DOZ SAID THAT UK DEL HAD INDICATED THAT IF THEY LOSE APPEAL CURRENTLY BEFORE UK COURTS, THEY WOULD INTRODUCE LEGISLATION EMPOWERING THEM TO SET COMMISSION RATES. IN ALSO EXPRESSING FEAR OF COMMISSION WAR, DOZ SAID THAT AT ECAC DGCA'S MEETING WITH EUROPEAN CARRIERS JUNE 6, SOME OF CARRIER REPS HAD BEEN SO RECKLESS AS TO ASSERT THAT THEY WOULD OFFER COMMISSIONS AS HIGH AS 30 PERCENT IF THEY HAD TO IN ORDER TO BEAT OUT PANAM.

4. IN RESPONSE, WE SUGGESTED TO DOZ THAT ECAC BE A BIT MORE EXPLICIT IN ITS COMMUNICATIONS HENCEFORTH IF A REPLY WAS DESIRED. WE ALSO NOTED THAT IF ECAC HAD WANTED TO ELICIT STATEMENT OF USG POSITION, VERES LETTER SHOULD HAVE BEEN MORE SPECIFIC IN STATING ECAC POSITION IF INDEED, AS DOZ HAD CONTENTED, CONSENSUS WITHIN ECAC FAVORED GOVERNMENTAL INTERVENTION TO SETTLE COMMISSION RATE QUESTION. FAULT FOR ANY ABSENCE OF DIALOGUE, IT SEEMED TO US, THUS LAY AS LIMITED OFFICIAL USE

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MUCH IF NOT MORE ON ECAC'S DOORSTEP THAN ON OURS. WE UNDERTOOK TO CONVEY HIS VIEWS TO DEPT. ANYWAY.

5. COMMENT: IN VIEW OF ECAC SENSITIVITY THIS POINT, IT MIGHT BE GOOD IDEA TO MAKE SOME SORT OF RESPONSE, IF ONLY SIMPLE ACKNOWLEDGEMENT, TO VERES MESSAGE. RUSH

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